Government Travel Card Program

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Where We Were

Program Problems

- External Audits Found:
  - High delinquency rates
  - Lack of program attention
  - No management controls
  - Insufficient training
  - Cardholder abuse
  - Unused accounts

What’s Been Done

DoD Actions – Disciplinary Guidelines

- Establish DoD disciplinary actions guidelines for improper, fraudulent or abusive charge card use
  - ✓ “Suspension of Access to Classified Information due to Misuse/Abuse” – Nov 02
  - ✓ “Disciplinary Guidance for Misuse of the Charge Card by Civilian Employees” – Apr 03
  - ✓ “Disciplinary Guidance for Misuse of the Charge Card by Military Personnel” – Jun 03

More DoD Actions to Address the Issues

- Develop charge card procedures to close account when an individual leaves and organization
  - ✓ Ongoing reviews of DMDC and BoA account files
- Improve surveillance through automated data mining
  - ✓ Meetings ongoing
- Check creditworthiness
  - ✓ In process
- Implement legislative limit for the total number of charge cards $\leq$ 1,500,000
  - ✓ Completed

DoD Actions to Address the Issues - Continued

- Create exemption from mandatory card use for travel en route to deployments
  - ✓ Guidance established Apr 03
- Implement mandatory split disbursement
  - ✓ Policy established for military personnel – Apr 03
  - ✓ Policy for civilian employees – Pending
- Expand salary offset to include civilian retirement
  - ✓ Issue reviewed
- Cancel unused travel card accounts
  - ✓ Ongoing reviews of BoA files

DON Actions - eBusiness

- In Aug 01, day-to-day operations of the Navy travel card program moved to the DON eBusiness Operations Office and they provided:
  - Travel Card Instruction
  - Desk Guides
  - Computer Based Training
  - Video Teletraining
  - Monthly APC teleconferences
  - Misuse and Abuse Process (MAP)
  - Travel Card Periodic Notices (TCPN)
  - APC Charge Card Conference

DON Actions - Internal Audit

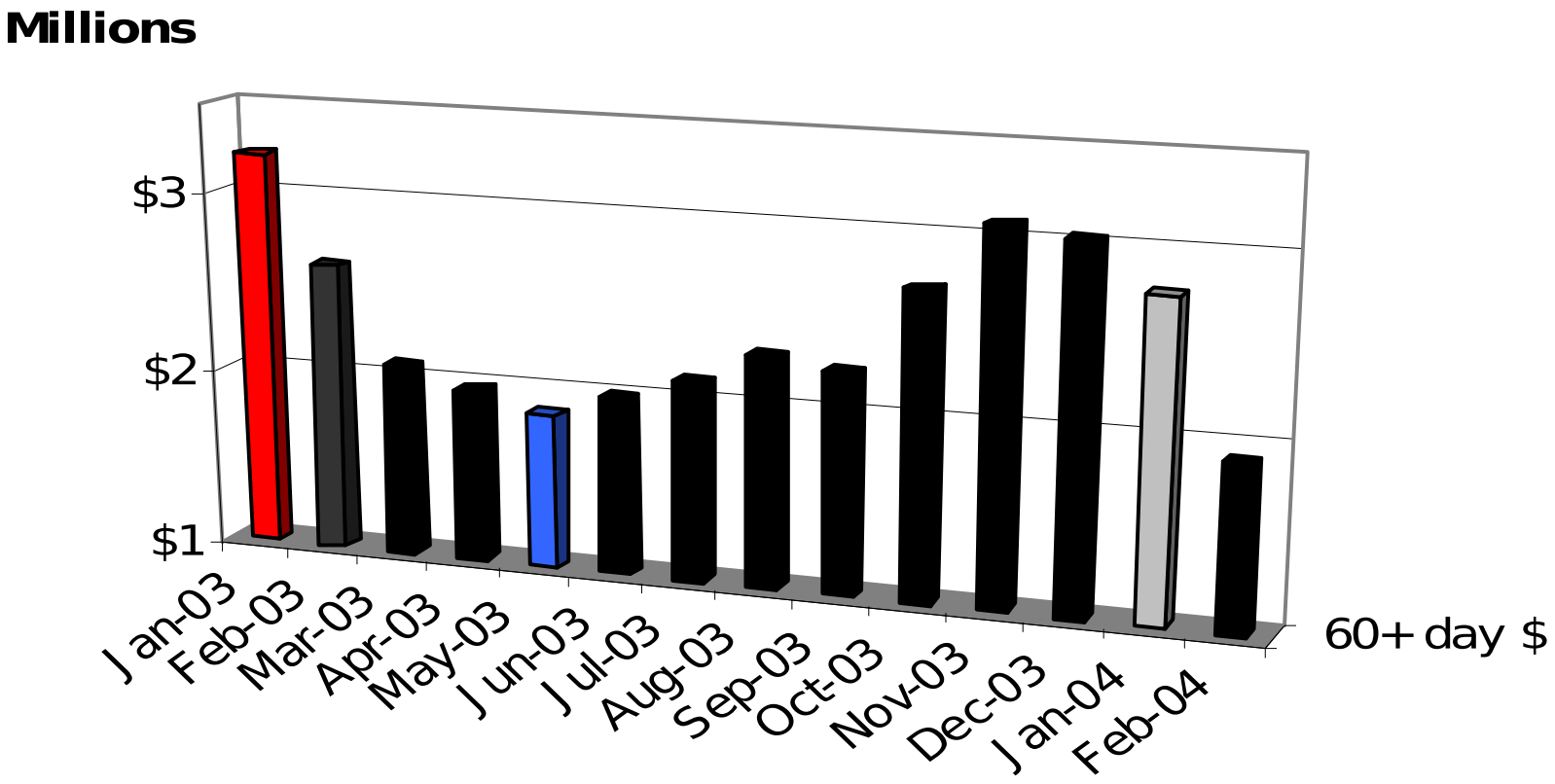
- DON requested Naval Audit Service to review the travel process
  - Dec 02 – NAS began end-to-end travel process audit
  - Nov 03 – NAS issued draft report “Department of the Navy Travel Card Delinquencies and Outstanding Advances”
  - Feb 04 – NAS to issue final audit report

DON Actions – Policy Changes to Address Misuse

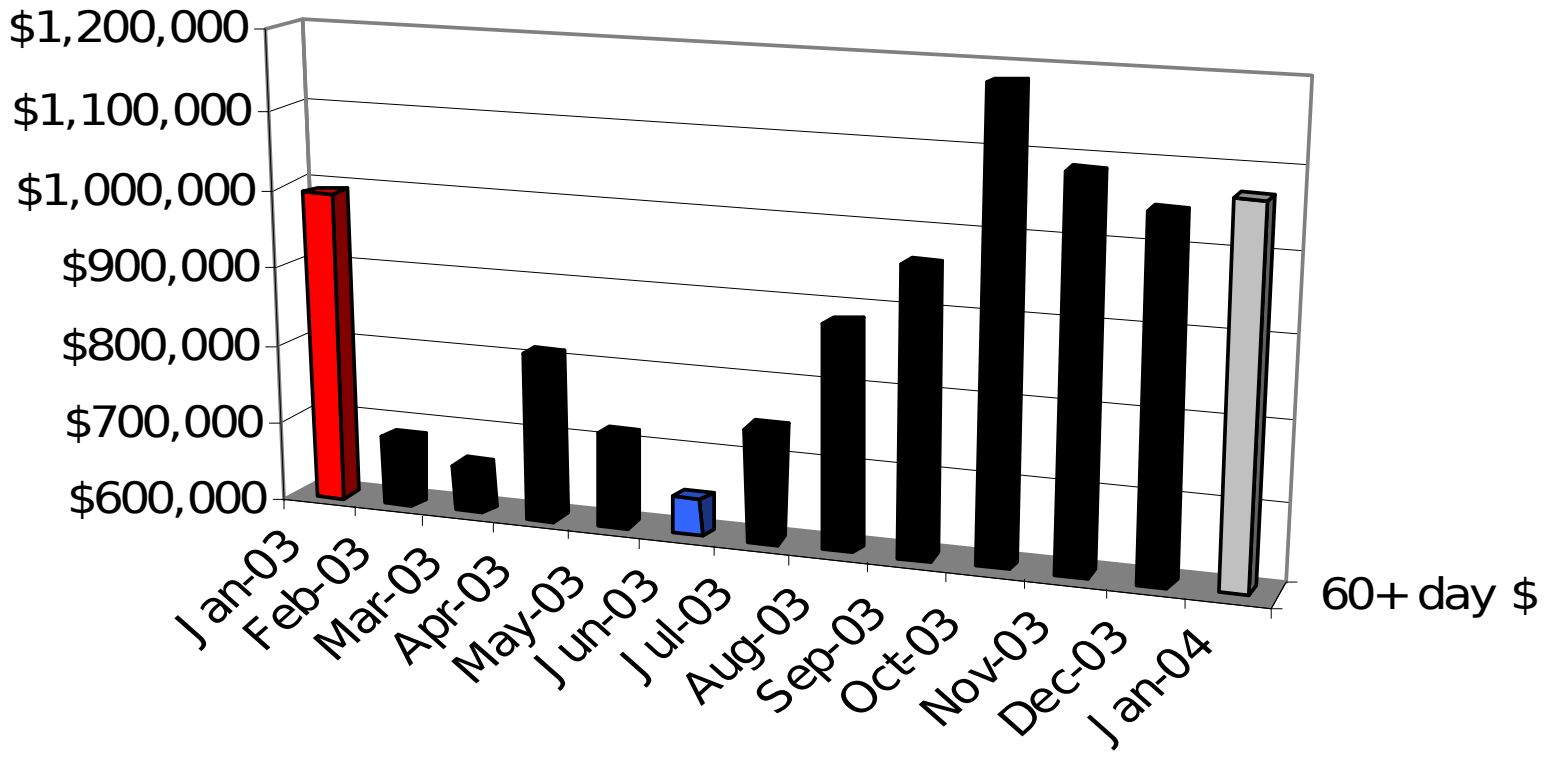
- ✓ ASN(FM&C) Memo - Feb 03
  - Directed the routine review of reports to identify possible misuse:
    - Returned Check Charges report
      - Identifies payments written against checking accounts with insufficient funds and closed checking accounts
    - Airline Exception report
      - Identifies inconsistent names on ticket versus travel card
    - Non-travel Activity report
      - Identifies card usage without associated travel transactions
    - Weekend/Holiday Activity report
      - Identifies car rental or lodging activity occurring on Sunday, Monday or holiday
- ✓ ASN(FM&C) continues to meet with Echelon 2 commands

Where We Are Now

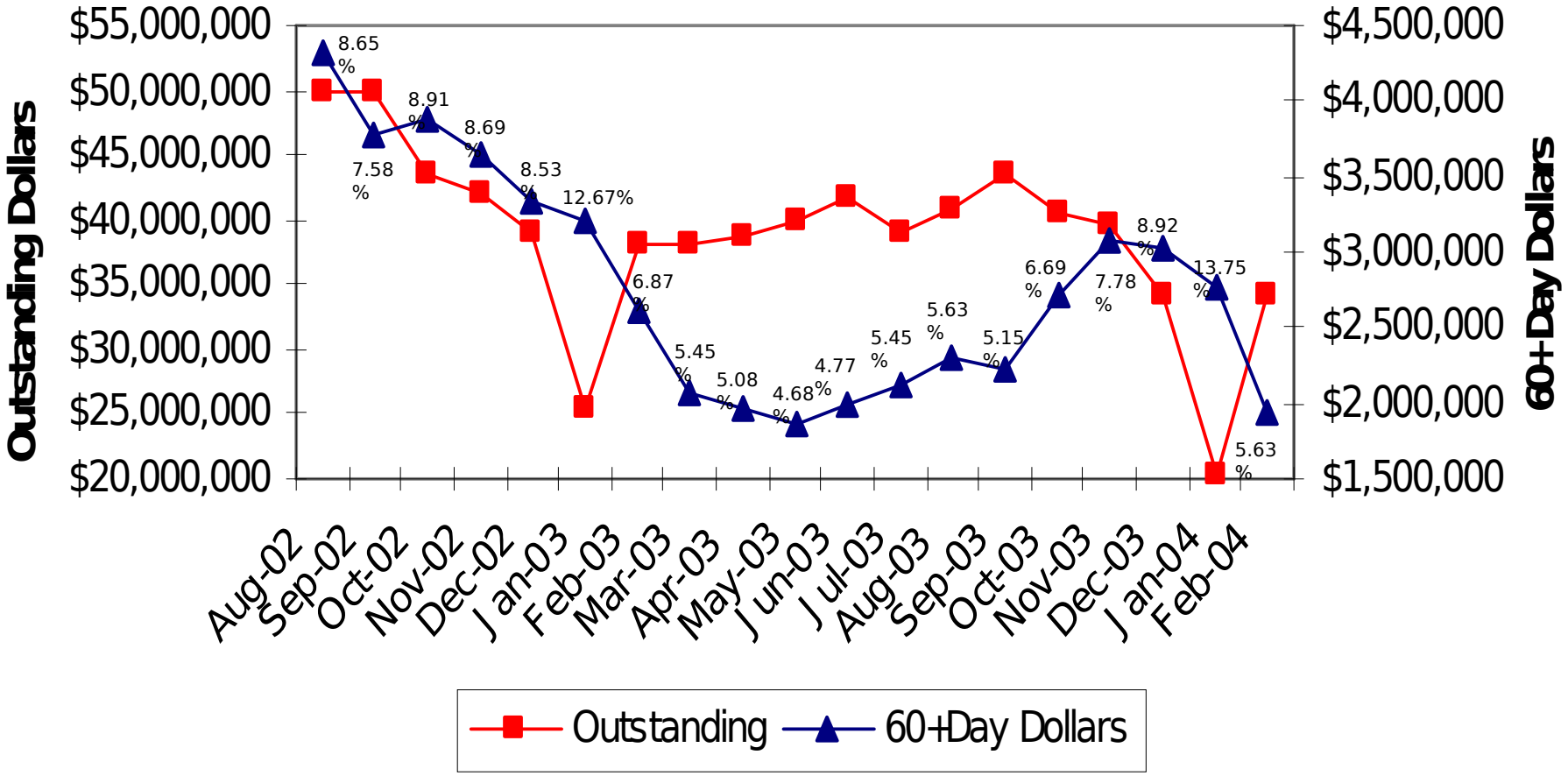
Navy	January-03	May-03	January-04
60+Day Dollars	$3,215,668	$1,867,785	$2,770,842
Outstanding	$25,390,143	$39,927,096	$20,153,169
60+Day Delinquency Rate	12.67%	4.68%	13.75%



Marine Corps	January-03	June-03	January-04
60+Day Dollars	$993,122	$647,386	$1,067,801
Outstanding	$5,597,608	$8,006,383	$5,771,164
60+Day Delinquency Rate	17.74%	8.09%	18.50%



Navy Delinquency Chart
Aug02-Feb04



Marine Corps Delinquency Chart
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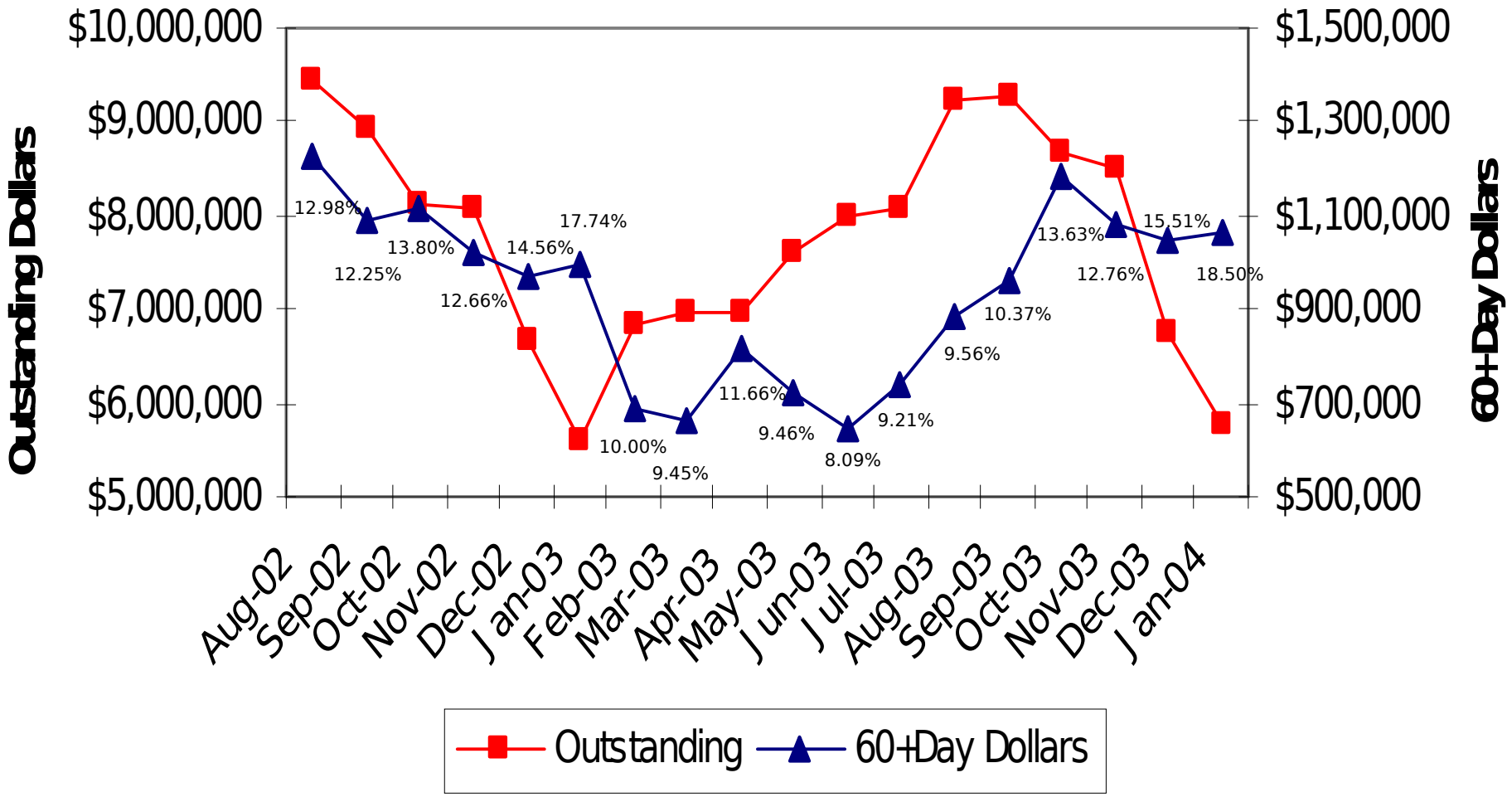

Account Closures

- Number of DON accounts closed that were not used in preceding 12 months:
  - Sep 02 73,973 Navy / 21,650 USMC
  - Dec 02 24,470 Navy / 10,100 USMC
  - Jun 03 19,037 Navy / 8,638 USMC
  - Nov 03 12,514 Navy/ 1,859 USMC
  - Total 129,994 Navy/ 42,247 USMC
- DMDC file review
  - Feb 04 1,251 Navy accounts closed

Status of Salary Offset

- Since program inception (Oct 01) through Jan 04, $9,134,520 has been collected through salary offset for DON military members:
  - Navy $7,097,374
    - Active $6,157,328
    - Reserve $940,047
  - Marine Corps $2,037,146
    - Active $1,995,977
    - Reserve $ 41,168

Status of Split Disbursement

- Split disbursement
  - Mandatory for military members
  - Default for civilian employees
  - Travel card payments made using split disbursement:

	FY03	FY04-Q1
Navy	41%	52%
Marine Corps	34%	51%

Split Disbursement Payments by Command

CNR	9%	COMSPAWARSYSCOM	56%
COMSC	29%	FLDSUPPACT	60%
ONI	31%	COMNAVSEASYSCOM	61%
AAUSN	42%	COMPACFLT	61%
COMNAVSUPSYSCOM	46%	NETC	65%
DIRSSP	47%	CNI	66%
COMNAVAIRSYSCOM	49%	SECGRU	68%
COMNAVFACENGCOM	52%	COMNAVPERSCOM	69%
BUMED	52%	COMLANTFLT	70%
COMNAVRESFOR	54%	COMNAVSPECWARCOM	76%
COMUSNAVEUR	54%		

Data as of December 03

What More Can We Do?

- Work the top 10, 20, or 50 dollar delinquent cardholders
- Follow up with HR/Admin to confirm employee departures and close accounts
- Make your leadership aware of program performance by providing monthly management reports